

ASSEMBLY BILL

No. 1946

Introduced by Assembly Member Fletcher

February 17, 2010

An act to amend Section 1367.36 of the Health and Safety Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

AB 1946, as introduced, Fletcher. Health care service plans: immunizations.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care and makes a willful violation of that act a crime. Existing law requires every health care service plan that covers hospital, medical, or surgical expenses on a group basis to provide certain preventive health care benefits for children, including immunizations. Existing law specifies the reimbursement rate with respect to immunizations that are not part of the current contract between a health care service plan and a physician or physician group.

This bill would make a technical, nonsubstantive change to that provision.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1367.36 of the Health and Safety Code
2 is amended to read:

1 1367.36. (a) A risk-based contract between a health care
2 service plan and a physician or physician group that is issued,
3 amended, delivered, or renewed in this state on or after January
4 1, 2001, shall not include a provision that requires a physician or
5 a physician group to assume financial risk for the acquisition costs
6 of required immunizations for children as a condition of accepting
7 the risk-based contract. A physician or physician group shall not
8 be required to assume financial risk for immunizations that are not
9 part of the current contract.

10 (b) Beginning January 1, 2001, with respect to immunizations
11 for children that are not part of the current contract between a
12 health care service plan and a physician or physician group, the
13 health care service plan shall reimburse a physician or physician
14 group at the lowest of the following, until the contract is
15 renegotiated: (1) the physician's actual acquisition cost, (2) the
16 "average wholesale price" as published in the Drug Topics Red
17 Book, or (3) the lowest acquisition cost through sources made
18 available to the physician by the health care service plan.
19 Reimbursements shall be made within 45 days of receipt by the
20 plan of documents from the physician demonstrating that the
21 immunizations were performed, consistent with Section 1371 or
22 through an alternative funding mechanism mutually agreed to by
23 the health care service plan and the physician or physician group.
24 The alternative funding mechanism shall be based on
25 reimbursements consistent with this subdivision.

26 (c) Physicians and physician groups may assume financial risk
27 for providing required immunizations; if the immunizations have
28 experiential data that has been negotiated and agreed upon by the
29 health care service plan and the physician risk-bearing organization.
30 However, a health care service plan shall not require a physician
31 risk-bearing organization to accept financial risk or impose
32 additional risk on a physician risk-bearing organization in violation
33 of subdivision (a).

34 (d) A health care service plan shall not include the acquisition
35 costs associated with required immunizations for children in the
36 capitation rate of a physician who is individually capitated.